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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-092]

Mattresses from the People's Republic of China: Amended Preliminary Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is amending the preliminary determination of the less-than-fair-value investigation of mattresses from the People's Republic of China (China) to correct significant ministerial errors.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Jonathan Hill, Lilit Astvatsatrian, or Stephen Bailey, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-3518, (202) 482-6412, or (202) 482-0193, respectively.

SUPPLEMENTARY INFORMATION:

Background

On June 4, 2019, Commerce published its notice of preliminary determination in the antidumping duty investigation of mattresses from China.¹ On May 30, 2019, Foshan City Shunde Haozuan Furniture Co., Ltd. (Foshan Haozuan) submitted comments alleging significant

¹ See *Mattresses from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Affirmative Preliminary Determination of Critical Circumstances*, 84 FR 25732 (June 4, 2019) (*Preliminary Determination*) and the accompanying Preliminary Decision Memorandum.

ministerial errors in our preliminary determination.² On May 31, 2019, Jiashan Nova Co., Ltd. (Nova) and Foshan Suilong Furniture Co., Ltd. (Suilong) submitted comments alleging significant ministerial errors in our preliminary determination.³ On June 5, 2019, Zinus (Xiamen) Inc. and Zinus (Zhangzhou) Inc., and their affiliated sellers and U.S. importers (collectively, Zinus), Healthcare Co., Ltd. and its affiliated exporters and U.S. importers (collectively, Healthcare), and Corsicana Mattress Company, Elite Comfort Solutions, Future Foam Inc., FXI, Inc., Innocor, Inc., Kolcraft Enterprises Inc., Leggett & Platt, Incorporated, Serta Simmons Bedding, LLC, and Tempur Sealy International, Inc. (collectively, the petitioners), submitted comments alleging significant ministerial errors in our calculation of the preliminary margins for Healthcare and Zinus and in our assignment of separate rates to certain companies.⁴

Period of Investigation

The period of investigation is January 1, 2018, through June 30, 2018.

Scope of the Investigation

The product covered by this investigation is mattresses from China. For a complete description of the scope of this investigation, see the Appendix to this notice.

Analysis of Significant Ministerial Error Allegation

² See letter from Foshan Haozuan, “Antidumping Duty Investigation of Mattresses from the People's Republic of China: Ministerial Error Comments and Request to Immediately Correct Federal Register Notice Prior to Publication,” dated May 30, 2019 (Foshan Haozuan’s ME Allegation).

³ See letter from Nova, “Mattresses from People's Republic of China: Omission from Notice of Preliminary Determination,” dated May 31, 2019 (Nova’s ME Allegation); see letter from Suilong, “Mattresses from People's Republic of China: Omission from Notice of Preliminary Determination,” dated May 31, 2019 (Suilong’s ME Allegation).

⁴ See letter from Zinus, “Mattresses from the People’s Republic of China: Ministerial Error Allegation,” dated June 5, 2019 (Zinus’ ME Allegation); see letter from Healthcare, “Mattresses from People’s Republic of China: Ministerial Error Comments for the Preliminary Determination,” dated June 5, 2019 (Healthcare’s ME Allegation); see also letter from the petitioners, “Mattresses from the People’s Republic of China: Mattress Petitioners’ Request for Correction of a Significant Ministerial Error in the Preliminary Determination Margin Calculation of Healthcare,” dated June 5, 2019 (the petitioners’ ME Allegation).

Commerce will analyze any comments received and, if appropriate, correct any significant ministerial error by amending the preliminary determination according to 19 CFR 351.224(e). A ministerial error is defined in 19 CFR 351.224(f) as “an error in addition, subtraction, or other arithmetic function, clerical error resulting from inaccurate copying, duplication, or the like, and any other similar type of unintentional error which the Secretary considers ministerial.”⁵ A significant ministerial error is defined as a ministerial error, the correction of which, singly or in combination with other errors, would result in: (1) a change of at least five absolute percentage points in, but not less than 25 percent of, the antidumping duty rate calculated in the original preliminary determination; or (2) a difference between an antidumping duty rate of zero or *de minimis* and an antidumping duty rate of greater than *de minimis* or *vice versa*.⁶

Amended Preliminary Determination

Pursuant to 19 CFR 351.224(e) and (g)(1), Commerce is amending the *Preliminary Determination* to reflect the correction of seven ministerial errors made in the calculation of the estimated weighted-average dumping margin for Healthcare,⁷ the assignment of separate rates for certain companies explained below, and the correction to the China-wide rate based on a typographical error. Regarding Zinus, although Commerce finds that two of its three claimed errors are ministerial in nature, as defined by 19 CFR 351.224(f), the ministerial errors are not “significant” in accordance with 19 CFR 351.224(g).⁸ Specifically, the combined impact of the ministerial errors represent a change of less than 25 percent of the margin calculated in the

⁵ See also section 735(e) of the Tariff Act of 1930, as amended (the Act).

⁶ See 19 CFR 351.224(g).

⁷ See Memorandum, “Less-Than-Fair-Value Investigation of Mattresses from the People’s Republic of China: Allegation of Ministerial Errors in the Preliminary Determination,” dated concurrently with this notice (Ministerial Error Memorandum).

⁸ See Ministerial Error Memorandum.

Preliminary Determination. Concerning Healthcare, Commerce finds that the petitioners' claimed error is a significant ministerial error within the meaning of 19 CFR 351.224(g), because Healthcare's weighted-average dumping margin increases from 38.56 to 69.30⁹ percent as a result of correcting this ministerial error, which exceeds the specified threshold, *i.e.*, a change of at least five absolute percentage points in, but not less than 25 percent of, the dumping margin calculated in the original *Preliminary Determination*. Further, in the *Preliminary Determination*, Commerce calculated a weighted-average of the dumping margins of Healthcare and Zinus,¹⁰ and assigned this rate to the non-examined respondents that preliminarily received a separate rate.¹¹ Accordingly, as part of this amended preliminary determination, Commerce will amend the estimated weighted-average dumping margin to 81.31 percent for each non-examined respondent that preliminarily received a separate rate.¹²

Additionally, in the *Preliminary Determination*, under the section entitled "Preliminary Determination," we inadvertently did not identify Foshan Haozuan, Nova, and Suilong as having received a separate rate. Also, Commerce incorrectly spelled Shanghai Glory Home Furnishings Co., Ltd. Further, Commerce inadvertently listed Healthcare Sleep Products Limited as the producer of Healthcare Sleep Products Limited's exports while, in fact, Healthcare Co. Ltd. is the producer in this exporter/producer combination. Finally, Commerce inadvertently listed Luen Tai Global Limited as the producer of Luen Tai Global Limited's exports while, in fact, Shenzhen L&T Industrial Co., Ltd. is the producer in this exporter/producer combination.

⁹ See Memorandum, "Analysis for the Amended Preliminary Determination of the Less-Than-Fair-Value Investigation of Mattresses from the People's Republic of China for Healthcare Co., Ltd.," dated concurrently with this notice.

¹⁰ See Memorandum, "Calculation of the Rate for Separate Rate Respondents," dated May 28, 2019.

¹¹ See *Preliminary Determination*, 84 FR at 25733.

¹² As a result of the change to Healthcare's preliminary margin the separate rate for non-selected companies also changed. See Memorandum, "Calculation of the Rate for Separate Rate Respondents," dated July 5, 2019.

Commerce preliminarily determines that the following estimated weighted-average dumping margins exist for the following exporter-producer combinations:

<u>Exporter</u>	<u>Producer</u>	<u>Estimated Weighted-Average Dumping Margin (percent)</u>
Zinus (Xiamen) Inc.	Zinus (Xiamen) Inc.	84.64 %
Healthcare Co., Ltd.	Healthcare Co., Ltd.	69.30 %
Foshan City Shunde Haozuan Furniture Co., Ltd.	Foshan City Shunde Haozuan Furniture Co., Ltd.	81.31 %
Jiashan Nova Co., Ltd.	Jiashan Nova Co., Ltd.	81.31 %
Foshan Suilong Furniture Co. Ltd.	Foshan Suilong Furniture Co. Ltd.	81.31 %
Healthcare Sleep Products Limited	Healthcare Co. Ltd.	81.31 %
Luen Tai Global Limited	Shenzhen L&T Industrial Co., Ltd.	81.31 %
Dockter China Limited	Healthcare Co., Ltd	81.31 %
Dockter China Limited	Huizhou Lemeijia Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	81.31 %
Dockter China Limited	Dongguan Beijianing Household Products Co., Ltd. (a.k.a. Better Zs, Ltd.)	81.31 %
Foshan Chiland Furniture Co., Ltd	Foshan Chiland Furniture Co., Ltd	81.31 %
Foshan City Jinxingma Furniture Manufacture Co., Ltd	Foshan City Jinxingma Furniture Manufacture Co., Ltd	81.31 %
Foshan City Kewei Furniture Co., Ltd	Foshan City Kewei Furniture Co., Ltd	81.31 %
Foshan EON Technology Industry Co., Ltd	Foshan EON Technology Industry Co., Ltd	81.31 %
Foshan Mengruo Household Furniture Co., Ltd	Foshan Mengruo Household Furniture Co., Ltd	81.31 %

Foshan Qisheng Sponge Co., Ltd	Foshan Qisheng Sponge Co., Ltd	81.31 %
Foshan Ruixin Non Woven Co., Ltd	Foshan Ruixin Non Woven Co., Ltd	81.31 %
Foshan Ziranbao Furniture Co., Ltd	Foshan Ziranbao Furniture Co., Ltd	81.31 %
Guangdong Diglant Furniture Industrial Co., Ltd	Guangdong Diglant Furniture Industrial Co., Ltd	81.31 %
Hong Kong Gesin Technology Limited	Inno Sports Co., Ltd	81.31 %
Inno Sports Co., Ltd	Inno Sports Co., Ltd	81.31 %
Jiangsu Wellcare Household Articles Co., Ltd	Jiangsu Wellcare Household Articles Co., Ltd	81.31 %
Jiaxing Taien Springs Co., Ltd	Jiaxing Taien Springs Co., Ltd	81.31 %
Jiaxing Visco Foam Co., Ltd	Jiaxing Visco Foam Co., Ltd	81.31 %
Jinlongheng Furniture Co., Ltd	Jinlongheng Furniture Co., Ltd	81.31 %
Luen Tai Group (China) Limited	Shenzhen L&T Industrial Co., Ltd	81.31 %
Man Wah Furniture Manufacturing (Hui Zhou) Co., Ltd., Man Wah (MACAO Commercial Offshore), Ltd. and Man Wah (USA), Inc	Man Wah Household Industry (Huizhou) Co., Ltd	81.31 %
Ningbo Megafeat Bedding Co., Ltd	Ningbo Megafeat Bedding Co., Ltd	81.31 %
Ningbo Shuibishen Home Textile Technology Co., Ltd	Ningbo Shuibishen Home Textile Technology Co., Ltd	81.31 %
Nisco Co., Ltd	Healthcare Co., Ltd	81.31 %
Quanzhou Hengang Imp. & Exp. Co., Ltd	Quanzhou Hengang Industries Co., Ltd	81.31 %
Shanghai Glory Home Furnishings Co., Ltd	Shanghai Glory Home Furnishings Co., Ltd	81.31 %

Sinomax Macao Commercial Offshore Limited	Dongguan Sinohome Limited	81.31 %
Sinomax Macao Commercial Offshore Limited	Sinomax (Zhejiang) Polyurethane Technology Ltd	81.31 %
Wings Developing Co., Limited	Quanzhou Hengang Industries Co., Ltd	81.31 %
Xianghe Kaneman Furniture Co., Ltd	Xianghe Kaneman Furniture Co., Ltd	81.31 %
Xilinmen Furniture Co., Ltd	Xilinmen Furniture Co., Ltd	81.31 %
Zhejiang Glory Home Furnishings Co., Ltd	Zhejiang Glory Home Furnishings Co., Ltd	81.31 %
China-wide Entity	China-wide Entity	1,731.75%

Amended Cash Deposits and Suspension of Liquidation

The collection of cash deposits and suspension of liquidation will be revised according to the rates calculated in this amended preliminary determination. Because Healthcare's amended rate and the consequent amended separate rate for non-selected companies result in increased cash deposits, these amended rates will be effective on the publication date of this amended preliminary determination. As Commerce preliminarily found that critical circumstances exist for imports of subject merchandise from the non-examined respondents that preliminarily received a separate rate, and the China-wide entity,¹³ the amended rate for these entities will be effective on the publication date of this amended preliminary determination. Entities subject to critical circumstances in the *Preliminary Determination* (i.e., separate rate companies and the China-wide entity) will continue to be subject to a rate of 74.65 percent effective March 6, 2019, i.e., 90 days before the publication of the *Preliminary Determination*, until the effective date of

¹³ See *Preliminary Determination*, 84 FR at 25732 and Preliminary Decision Memorandum, at 4-5.

this amended preliminary determination. Parties will be notified of this determination, in accordance with section 733(d) and (f) of the Act.

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after public announcement of the amended preliminary determination, in accordance with 19 CFR 351.224.

International Trade Commission Notification

In accordance with section 733(f) of the Act, we will notify the International Trade Commission of our amended preliminary determination.

Notification to Interested Parties

This amended preliminary determination is issued and published pursuant to sections 733(f) and 777(i) of the Act and 19 CFR 351.224(e).

Dated: July 3, 2019.

James Maeder,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

Appendix

Scope of the Investigation

The scope of this investigation covers all types of youth and adult mattresses. The term “mattress” denotes an assembly of materials that at a minimum includes a “core,” which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses may also contain (1) “upholstery,” the material between the core and the top panel of the ticking on a single-sided mattress, or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) “ticking,” the outermost layer of fabric or other material (*e.g.*, vinyl) that encloses the core and any upholstery, also known as a cover.

The scope of this investigation is restricted to only “adult mattresses” and “youth mattresses.” “Adult mattresses” have a width exceeding 35 inches, a length exceeding 72 inches, and a depth exceeding 3 inches on a nominal basis. Such mattresses are frequently described as “twin,” “extra-long twin,” “full,” “queen,” “king,” or “California king” mattresses. “Youth mattresses” have a width exceeding 27 inches, a length exceeding 51 inches, and a depth exceeding 1 inch (crib mattresses have a depth of 6 inches or less from edge to edge) on a nominal basis. Such mattresses are typically described as “crib,” “toddler,” or “youth” mattresses. All adult and youth mattresses are included regardless of actual size description.

The scope encompasses all types of “innerspring mattresses,” “non-innerspring mattresses,” and “hybrid mattresses.” “Innerspring mattresses” contain innersprings, a series of metal springs joined together in sizes that correspond to the dimensions of mattresses. Mattresses that contain innersprings are referred to as “innerspring mattresses” or “hybrid mattresses.” “Hybrid mattresses” contain two or more support systems as the core, such as layers of both memory foam and innerspring units.

“Non-innerspring mattresses” are those that do not contain any innerspring units. They are generally produced from foams (*e.g.*, polyurethane, memory (viscoelastic), latex foam, gel-infused viscoelastic (gel foam), thermobonded polyester, polyethylene) or other resilient filling.

Mattresses covered by the scope of this investigation may be imported independently, as part of furniture or furniture mechanisms (*e.g.*, convertible sofa bed mattresses, sofa bed mattresses imported with sofa bed mechanisms, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, trundle bed mattresses, crib mattresses), or as part of a set in combination with a “mattress foundation.” “Mattress foundations” are any base or support for a mattress. Mattress foundations are commonly referred to as “foundations,” “boxsprings,” “platforms,” and/or “bases.” Bases can be static, foldable, or adjustable. Only the mattress is covered by the

scope if imported as part of furniture, with furniture mechanisms, or as part of a set in combination with a mattress foundation.

Excluded from the scope of this investigation are “futon” mattresses. A “futon” is a bi-fold frame made of wood, metal, or plastic material, or any combination thereof, that functions as both seating furniture (such as a couch, love seat, or sofa) and a bed. A “futon mattress” is a tufted mattress, where the top covering is secured to the bottom with thread that goes completely through the mattress from the top through to the bottom, and it does not contain innersprings or foam. A futon mattress is both the bed and seating surface for the futon.

Also excluded from the scope are airbeds (including inflatable mattresses) and waterbeds, which consist of air- or liquid-filled bladders as the core or main support system of the mattress.

Further, also excluded from the scope of this investigation are any products covered by the existing antidumping duty order on uncovered innerspring units. *See Uncovered Innerspring Units from the People’s Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009).

Additionally, also excluded from the scope of this investigation are “mattress toppers.” A “mattress topper” is a removable bedding accessory that supplements a mattress by providing an additional layer that is placed on top of a mattress. Excluded mattress toppers have a height of four inches or less.

The products subject to this investigation are currently properly classifiable under Harmonized Tariff Schedule for the United States (HTSUS) subheadings: 9404.21.0010, 9404.21.0013, 9404.29.1005, 9404.29.1013, 9404.29.9085, and 9404.29.9087. Products subject to this investigation may also enter under HTSUS subheadings: 9404.21.0095, 9404.29.1095, 9404.29.9095, 9401.40.0000, and 9401.90.5081. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this investigation is dispositive.

[FR Doc. 2019-14689 Filed: 7/9/2019 8:45 am; Publication Date: 7/10/2019]